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TROPICAL PRODUCTS
FTEA 1-61
June, 1961

WORLD TEA CROP

CURRENT SERIAL RECORDS

INCREASE EXPECTED

The 1961 world tea crop is estimated by the Foreign Agricultural Service at 2,123 million pounds, an alltime record and 3.8 percent above the 2,046 million pounds in 1960. Increases are expected for all continents.

PRODUCTION

South America: Argentina has expanded its tea acreage considerably the past few years. In 1954 there were about 17,000 acres in tea, but this increased to about 75,000 acres in 1955. Soil and climate are excellent for tea growing, but productivity generally is low.

Small quantities of tea are produced by Brazil and Peru, and are not expected to change much. There are about 12,000 acres in tea in Brazil, and about 5,000 in Peru.

Africa: Production is expected to continue to rise in Kenya. The 30 million pounds produced in 1960 was 5 million above the 1956-60 average. New plantings are being encouraged by agriculturists on both African and European plantations. Much of the acreage is in young tea and not yet in production.

A heavy flush is reported for Rhodesia and Nyasaland. The 1961 crop is estimated at 28 million pounds, of which Nyasaland will produce 25 million pounds. The potential for expansion in Southern Rhodesia is considerable, and it has been predicted that production will increase by 700 percent over the next 10 years. Areas available for planting in Nyasaland are limited.

This Circular contains more detailed information than the summary of similar title published in the monthly supplemental issue of Foreign Crops and Markets of May 25, 1961

Tea: Estimated world production, forecast 1961 with comparisons

Continent and country	Average 1950-54	1958	1959	1960	Forecast 1961
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
South America:					
Argentina.....	690	7,055	9,900	10,000	11,000
Brazil.....	1,596	1,649	1,675	1,700	1,700
Peru.....	1,231	2,315	2,700	3,000	3,000
Total South America.....	3,517	11,019	14,275	14,700	15,700
Africa:					
Kenya.....	15,094	25,180	27,867	30,370	32,500
Mauritius.....	908	1,925	1,997	2,000	2,000
Mozambique.....	7,595	15,220	17,992	18,000	19,000
Republic of the Congo.....	1,023	5,562	8,228	7,500	7,500
Tanganyika.....	2,508	6,328	8,100	8,500	8,800
The Federation of Rhodesia and Nyasaland.....	15,935	24,682	25,358	26,500	28,000
Uganda.....	4,672	8,337	9,753	10,291	11,000
Total Africa.....	47,735	87,234	99,295	103,161	108,800
Asia:					
China.....	-	312,000	337,000	350,000	350,000
Ceylon.....	331,821	405,200	413,130	433,000	450,000
Federation of Malaya.....	3,985	4,878	5,360	5,500	5,500
India.....	623,552	713,542	716,100	696,100	725,000
Indonesia 1/.....	89,570	102,652	97,400	100,025	99,200
Iran.....	11,906	14,550	17,600	17,000	17,000
Japan.....	110,983	164,437	175,219	171,000	185,000
Pakistan.....	53,431	56,320	56,800	41,000	45,000
Taiwan.....	24,972	34,753	36,400	37,500	38,000
Turkey.....	968	7,242	9,259	12,000	14,000
USSR.....	N. A.	N. A.	N. A.	65,000	70,000
Total Asia.....	1,251,188	1,815,574	1,864,268	1,928,125	1,998,700
World total.....	1,302,440	1,913,827	1,977,838	2,045,986	2,123,200

1/ Does not include smallholders production for home use.

Foreign Agricultural Service. Official estimates of foreign governments, other foreign source material, reports of Agricultural Attaches and other U. S. representatives abroad, International Tea Committee, and other information.



Growth Through Agricultural Progress

The acreage planted to tea in Mozambique is about the same as that of Kenya. These two areas rank first in area devoted to tea in Africa. Yields in Mozambique, however, are not as high as for some of the other areas.

Production had been increasing in the Republic of the Congo until the 1960 disturbances. There is ample area for expansion; however the crop in 1961 will be considerably below the 1959 crop.

Uganda's tea acreage increased by 1,863 acres to a total of 28,816 acres. Much tea is grown on plantations by non-Africans. A plan for Africans to participate in the tea industry as outgrowers will come into effect in 1961 under auspices of the Uganda Development Corporation.

Asia: Total Asian tea production in 1961 is estimated at 1,999 million pounds. This would be 3.7 percent above the 1960 production of 1,928 million pounds. Generally, acreage is increasing a little in Asia, but has dropped off in Indonesia.

India, the world's largest tea producer, is expected to have a 1961 crop of 725 million pounds. The 1960 crop declined to 696 million pounds after a 716 million pound production of 1959. Tea output dropped 6 percent in North India in 1960 and gained 9 percent in South India. The 1960 South India production was a new record of 169 million pounds compared to 155 million in 1959 and the next highest production of 158 million pounds in 1958. The drought in Assam, India in early 1960 had no parallel in recent years. Tea production rose from 629 million pounds in 1951 to 696 million in 1960, an increase of just over 10 percent, while the Third Plan target looks toward an increase of 17 percent of the anticipated 1960 output of 725 million pounds. The Indian Tea Association has reported that only approximately 50,000 tons of fertilizer were allocated to the North India tea gardens during 1960 instead of the 70,000 ton requirement and request, and that 100,000 tons for North India and 50,000 tons for South India will be required to achieve the Third Plan targets as now envisioned.

In addition to the apparent lack of fertilizer production potential and import allocations during the Third Plan period, there is the additional limitation on tea estate acreage expansion set by the Government of India at an arbitrary 10 percent of existing holdings. Tea producers now are doing all they can to maximize production with existing facilities and financing. About 30 percent of the present production is from tea plants 60 years or more old. Although plants may live to be 100 years old, their productivity drops greatly many years before that age.

Ceylon output of tea in 1961 is estimated at 450 million pounds. The 1960 crop of 433 million pounds set a record. The October 1960 crop of 26.4 million pounds was below the previous year but favorable weather in November brought a crop of 45.5 million pounds. The 1959 crop was made up of 40.4 percent high-grown, 35.3 percent medium, and 24.3 percent low-grown teas. The total area under tea on December 31, 1959 was 579,652 acres, as compared with 572,706 acres at the end of 1958.

The Federation of Malaya produces high-grown tea at an elevation of 3,500-5,000 feet in the Cameron Highlands and low-grown tea in the Lowlands (up to 1,000 feet), which runs the length of the Peninsula on the South side of the central mountain range. Tea is produced the year round, and is about evenly divided between highland and lowland tea estates. Total production shows only a slight upward trend.

The production in Indonesia in 1961 is estimated at about the same level as in 1960. The tea that enters commerce and international trade is the estates black tea, which is mostly from government-owned estates, which have quotas to meet that are quantitative and not on a basis of quality. Indonesia's production potential is good, but the outlook is not promising. Modernization of old factories and machinery, and new factories are needed.

Japan has increased its tea area for the last decade, and nearly reached by 1960 its target set for 1969. Tea growers will probably now place more emphasis on renewing gardens by planting more improved and high-yielding varieties. The 1960 production of tea dropped by 2.3 percent from 1959. This was mainly due to a low yield in the Shizuoka area, as the 1959 typhoon, as well as the drought which followed, damaged the tea plants.

The harvesting of the first picking was reduced (the leaves are generally picked 4 times in a year, with the first harvest usually representing about half of the annual production), and the second picking which normally represents about 30 percent of the annual production increased 8.8 percent. However, during the third and fourth harvests, growers again reduced pickings in order to obtain a good first harvest of the 1961 crop.

An acute drought condition in Pakistan in 1960 caused a shortfall from the previous season. The 1959 tea crop was a record, although only slightly above 1958. The Government of Pakistan has repeatedly emphasized its policy not only of increasing production but maintaining exports. The policy has the dual purpose of maintaining internal prices while expanding foreign exchange earnings.

TRADE

The United Kingdom is still by far the biggest importer and user of tea. In 1960 British consumption amounted to 505 million pounds, almost one-half of which was supplied by India. This was nearly 8,500,000 pounds over 1959.

The United States is the world's second largest tea importer. Its imports rose in 1960 to 116 million pounds, up 7 percent over 1959 and a 43-year high.

The biggest rise in any country's tea trade in 1960 occurred in the case of Morocco, which had imports of 30 million pounds compared with 12 million in 1959.

There were some promising developments in the marketing of Peruvian tea in 1960. A shipment made to Britain was of improved quality, and sold at the same price as some high-grade India tea.

Kenya increased its tea exports considerably in 1960, exporting 24.2 million pounds valued at \$11.2 million. Kenya exported 21.1 million pounds in 1959 valued at \$10.1 million.

Tea exports from Nyasaland in 1960 set a record. Southern Rhodesia's production is almost entirely for domestic use.

Mozambique sells most of its tea on the London market. Exports in 1960 showed a slight increase. Since 1956, exports of tea from Mozambique have shown slight, but consistent, annual increases both in tonnage and value. Exports for 1960 amounted to 17.8 million pounds.

Ceylon instituted new tax legislation on June 1, 1959 whereby the flat rate of 70 rupee cents per pound export duty was replaced by a combined fixed duty of 35 cents. Also instituted was an ad valorem sales tax at the rate of 50 percent of any surplus in excess of the auction price of Rs 1.85 to Rs 3.25, with the maximum ad valorem tax to be Rs 1.05 per pound.

Both the Tea Controller and the trade report that the program is working smoothly, and that there have been no complaints of delays in receiving export permits. The reduced Customs duty has afforded much needed relief to the medium and low-grown tea producers whose teas previously were subject to a relatively high duty in proportion to actual value; it was said that nearly all were selling below cost of production at the end of 1958.

The Ceylon Tea Propaganda Board is striving to popularize Ceylon tea abroad, dividing its overseas expenditure between promotion work with the local joint Tea Councils in the United States, Canada, and West Germany, and through the International Tea Market Expansion Board in the United Kingdom, Australia, New Zealand, South Africa, Italy, Denmark and the Middle East. New Ceylon tea centers have been opened in Rome and Melbourne.

Practically all of India's tea exports are black tea. Exports of green tea amount to only about 1 percent of the total, all going to Afghanistan. In 1960 India shipped 421.7 million pounds to 19 countries, each of which took over 1 million pounds. The United Kingdom took 64 percent and the balance went to 47 other countries. Exports of green tea, waste tea and other descriptions brought the grand total for 1960 to 430.3 million pounds.

Egypt, Iran and Afghanistan were the only countries showing significant increases in 1960 over 1959. India's purchase of Egyptian rice accounted partly for the big increase in tea exports to Egypt. Although taking relatively small quantities Austria, Algeria, Syria, Jordan, Switzerland and Tunis had large percentage increases in 1960. New customers were made in Morocco, China, Greece and Argentina.

The rapidly rising population in India, calculated by the 1961 census at 438 million, provides an increasingly strong demand and a potent competitor for the lower grades of India tea in the export trade. Domestic use has increased about 100 million pounds in the last 10 years, and is presently at about 275 million pounds. The increase in recent years has been about 10 or 15 million pounds annually. Stocks of tea in India at the end of 1960 have been estimated at 39.5 million pounds, 8.7 million pounds less than the 1959 ending stocks. Recent estimates expect 1961 ending stocks to be slightly higher than at the end of 1960.

The export of Indonesia tea remains a Government monopoly. Speculators buy the tea from Indonesian ports or from auctions held in Brussels, London, Hamburg and Antwerp. The tea then is carefully graded, repriced and sold to others. Much of it goes to the large Dutch tea merchants from the auctions or diverted shipments from Indonesia. The use of auctions in Europe has helped dispose of tea, but prices have been rather low. Stocks, built up in 1959, were drawn down slightly in 1960. Carryover on December 31, 1960 amounted to about 15 million pounds.

Japan's domestically produced black tea is largely exported, as foreign black is preferred by consumers. About 87 percent of the green tea production, however, is domestically consumed. Exports of green tea dropped sharply in 1958, but since have increased. Japan has been exporting green tea to Morocco in exchange for rock phosphate of equal value under a trade agreement, renewable annually. Wholesale prices of Japanese tea in Morocco are set by the Moroccan Tea Corporation at the level far below tea from Communist China and Taiwan. Exports of black tea have also been increasing gradually since 1958, with the large customers being the United Kingdom, the Netherlands, and the United States. Japan exported 8,509 metric tons of green tea in 1960, and 1,548 metric tons of black tea.

Pakistan suspended export auctions of 1960 crop tea, due to the short crop. Internal auctions were held on October 5 and December 7, 1960. To ensure that regular buyers of tea obtain a proper share of reduced offerings, the Government Controller General, Price and Supplies, directed on October 18, 1960 that all bidders, blenders, and wholesalers of tea must sell to every dealer who purchased from them during any of the last 3 years on the basis of the average of such purchases. Reductions in sales to such buyers (necessary because of the short crop) must be made proportionately.

TEA: United States imports by country of origin, average 1950-54, annual 1955-1960

Country of origin	Average 1950-54	1955	1956	1957	1958	1959	1960 1/
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
North America:							
Canada.....	248,353:	387,170:	531,523:	701,475:	694,009:	825,028:	962,027
Jamaica.....	85:	-	-	-	-	-	-
Total.....	248,438:	387,170:	531,523:	701,475:	694,009:	825,028:	962,027
Europe:							
France.....	-	-	-	543:	1,114:	58,581:	-
Germany, West.....	10:	-	-	-	-	11,305:	47,065
Ireland.....	2,928:	48,000:	6,000:	-	15,200:	9,640:	8,912
Netherlands.....	405,401:	3,105,268:	958,760:	1,426,534:	2,568,218:	4,130,514:	2,923,310
United Kingdom.....	211,434:	598,743:	560,444:	728,716:	711,507:	3,249,719:	2,325,270
Others.....	61,154:	71,217:	22,350:	44,586:	4,117:	450:	-
Total.....	680,927:	3,823,228:	1,547,554:	2,200,379:	3,300,156:	7,460,209:	5,304,557
South America:							
Brazil.....	379,078:	283,968:	132,065:	288,484:	377,650:	362,083:	803,438
Others.....	25,220:	56,885:	-	39,992:	42,316:	-	199,540
Total.....	404,298:	340,853:	132,065:	328,476:	419,966:	362,083:	1,002,978
Asia:							
Ceylon.....	40,555,454:	38,894,367:	41,901,697:	46,045,346:	39,428,999:	43,538,874:	48,317,529
China.....	633,147:	24,938:	-	-	-	6,876:	-
Fed. of Malaya.....	46,784:	-	4,732:	-	4,392:	17,840:	86,309
Hong Kong.....	129,880:	180,801:	172,055:	250,953:	421,706:	307,777:	431,631
India.....	37,263,092:	36,442,978:	31,669,984:	26,978,258:	29,920,695:	27,676,070:	24,769,485
Indonesia.....	11,129,497:	13,461,061:	12,137,885:	13,769,862:	15,352,385:	13,848,048:	15,226,347
Iran.....	25,178:	-	-	8,650:	139,945:	5,091:	22,440
Japan.....	4,015,961:	3,211,123:	3,539,452:	3,030,987:	2,972,889:	2,481,714:	2,421,064
Pakistan.....	277,727:	58,951:	65,382:	230,386:	1,515:	94,204:	89,431
Singapore.....	-	-	-	-	9,037:	18,401:	-
Taiwan.....	3,128,482:	3,533,192:	4,108,662:	4,769,852:	6,106,164:	6,156,041:	8,131,404
Others.....	5,384:	5,000:	11,594:	-	16,397:	3,992:	12,740
Total.....	97,210,586:	95,812,411:	93,611,443:	95,084,294:	94,374,124:	94,154,928:	99,508,380
Africa:							
British East Africa.....	2,104,264:	2,294,465:	3,072,208:	2,347,778:	3,466,101:	4,596,008:	5,303,780
Mauritius.....	2,550:	-	12,558:	12,365:	-	28,291:	-
Mozambique.....	2,596,213:	1,726,878:	1,230,764:	908,668:	471,519:	1,179,468:	1,324,189
Republic of the Congo.....	20,810:	33,929:	165,536:	502,026:	421,845:	469,011:	985,700
Fed. of Rhodesia & Nyasaland:	30,721:	192,341:	207,573:	142,917:	232,842:	430,142:	755,951
Union of South Africa.....	29,429:	17,100:	12,317:	-	37,826:	178,807:	24,028
Others.....	134,228:	-	-	-	-	-	-
Total.....	4,918,215:	4,264,713:	4,700,956:	3,913,754:	4,630,133:	6,881,727:	8,393,648
Grand total.....	103,462,464:	104,628,375:	100,523,541:	102,228,378:	103,418,388:	109,683,975:	115,171,590

1/ Preliminary.

Bureau of Census.

Official Business

- 8 -

TEA: World net exports, average 1950-54, annual 1957-1960

Continent and country of origin	Average 1950-54	1957	1958	1959	1960 ^{1/}
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
South America:					
Argentina.....	-	11	388	1,631	1,800
Brazil.....	753	872	1,299	1,325	1,475
Total South America.....	753	883	1,687	2,956	3,275
Africa:					
Kenya.....	9,112	16,728	18,376	21,107	24,195
Mauritius.....	96	972	776	800	900
Mozambique.....	7,505	12,939	15,221	17,608	17,782
Republic of the Congo.....	1,960	4,193	4,589	7,059	7,200
Tanganyika.....	2,525	4,867	5,240	6,312	7,500
The Federation of Rhodesia & Nyasaland....	15,140	20,026	21,400	22,448	24,399
Uganda.....	2,727	6,124	5,987	7,463	8,500
Total Africa.....	39,065	65,849	71,589	82,797	90,476
Asia:					
Ceylon.....	323,165	367,732	410,773	383,495	395,000
China.....	25,800	82,000	99,000	75,000	75,000
Federation of Malaya.....	-	3,934	4,333	4,760	6,900
India.....	438,098	442,369	502,836	472,475	430,320
Indonesia.....	74,349	78,707	85,856	73,453	83,775
Japan.....	23,792	24,350	16,649	17,701	22,185
Pakistan.....	26,813	9,836	12,668	12,900	14,000
Taiwan.....	23,668	26,443	26,295	31,685	33,000
Viet-Nam.....	714	1,980	2,460	2,700	3,000
Total Asia.....	936,399	1,037,351	1,160,870	1,074,169	1,063,180
Other Countries.....	281	18,828	2,424	2,550	1,200
World total.....	976,498	1,122,911	1,236,570	1,162,472	1,158,131

^{1/} Preliminary.

Foreign Agricultural Service. Official publications of Foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.